

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28

**UNITED STATES DISTRICT COURT
CENTRAL DISTRICT OF CALIFORNIA**

IN RE THE HONEST COMPANY,
INC. SECURITIES LITIGATION

Case No. 2:21-cv-07405-MCS-AS

**ORDER AWARDING ATTORNEYS'
FEES AND EXPENSES (ECF NO.
315)**

WHEREAS:

A. Lead Plaintiff and Class Representative Kathie Ng (“Class Representative”), on behalf of herself and all other members of the certified Class, on the one hand, and defendant The Honest Company, Inc. (“Honest”); defendants Nikolaos Vlahos, Kelly Kennedy, Jessica Warren, Katie Bayne, Scott Dahnke, Eric Liaw, Jeremy Liew, and Avik Pramanik (collectively, the “Individual Defendants” and, together with Honest, the “Honest Defendants”); defendants Morgan Stanley & Co. LLC, J.P. Morgan Securities LLC, Jefferies LLC, BofA Securities, Inc., Citigroup Global Markets, Inc., William Blair & Company, L.L.C., Guggenheim Securities, LLC, Telsey Advisory Group LLC,

1 C.L. King & Associates, Inc., Loop Capital Markets LLC, Penserra Securities
2 LLC, and Samuel A. Ramirez & Company, Inc. (collectively, the “Underwriter
3 Defendants”); and defendants Catterton Management Company L.L.C., L
4 Catterton VIII, L.P., L Catterton VIII Offshore, L.P., Catterton Managing Partner
5 VIII, L.L.C., C8 Management, L.L.C., and THC Shared Abacus, LP
6 (collectively, the “Catterton Defendants” and with the Honest Defendants and the
7 Underwriter Defendants, the “Defendants,” and with Class Representative, the
8 “Parties”), on the other hand, have entered into the Stipulation and Agreement of
9 Settlement, dated March 11, 2025 (the “Stipulation”), which provides for a
10 complete dismissal with prejudice of the claims asserted in the Action on the
11 terms and conditions set forth in the Stipulation, subject to the approval of this
12 Court (the “Settlement”);

13 B. On July 28, 2025, a hearing having been held before this Court to
14 determine, among other things, whether and in what amount to award (1)
15 Plaintiffs’ Counsel in the above-captioned securities class action (the “Action”)
16 attorneys’ fees and litigation expenses and (2) Class Representative her costs and
17 expenses related to her representation of the Class, pursuant to the Private
18 Securities Litigation Reform Act of 1995 (the “PSLRA”);

19 A. It appearing that notice of the hearing substantially in the forms
20 approved by the Court was provided to all reasonably identifiable Class Members;
21 and that a summary notice of the hearing, substantially in the form approved by the
22 Court, was published in *The Wall Street Journal* and transmitted over *PR*
23 *Newswire*; and

24 B. The Court having considered all matters submitted to it at the hearing
25 and otherwise, and the Court having considered and determined the fairness and
26 reasonableness of the award of attorneys’ fees and expenses requested;
27
28

1 NOW, THEREFORE, IT IS HEREBY ORDERED, ADJUDGED, AND
2 DECREED that:

3 1. All capitalized terms used herein have the meanings set forth and
4 defined in the Stipulation and Agreement of Settlement, dated as of March 11,
5 2025 (ECF No. 304-3).

6 2. The Court has jurisdiction over the subject matter of the Action and
7 over all Parties to the Action, including all Class Members who did not request
8 exclusion in connection with the Class Notice, Plaintiffs' Counsel, and the Claims
9 Administrator.

10 3. Notice of Class Counsel's motion for an award of attorneys' fees and
11 payment of expenses and a PSLRA award (the "Fee and Expense Application")
12 was given to all Class Members who could be identified with reasonable effort.
13 The form and method of notifying the Class of the motion satisfied the notice
14 requirements of Rules 23 and 54(d) of the Federal Rules of Civil Procedure, the
15 United States Constitution (including the Due Process Clause), and Section 27 of
16 the Securities Act of 1933, 15 U.S.C. § 77z-1(a)(7), as amended by the PSLRA;
17 constituted the best notice practicable under the circumstances; and constituted
18 due, adequate, and sufficient notice to all Persons entitled thereto.

19 4. There have been no objections to Class Counsel's Fee and Expense
20 Application.

21 5. Class Counsel is hereby awarded, on behalf of Plaintiffs' Counsel,
22 attorneys' fees in the amount of \$8,250,000.00, plus interest at the same rate
23 earned by the Settlement Fund, *i.e.*, 30% of the Settlement Fund, and payment of
24 litigation expenses in the amount of \$1,677,604.36, plus accrued interest, which
25 sums the Court finds to be fair and reasonable.

26 6. Class Representative Kathie Ng is hereby awarded \$7,425.00 from
27 the Settlement Fund, pursuant to the PSLRA, as reimbursement for her reasonable
28 costs and expenses directly related to her efforts on behalf of the Class.

1 7. The awarded attorneys' fees, expenses, and PSLRA award may be
2 paid to Class Counsel from the Settlement Fund upon entry of this Order, subject
3 to the terms, conditions, and obligations of the Stipulation, which terms,
4 conditions, and obligations are incorporated herein.

5 8. In making the award of attorneys' fees and payment of Litigation
6 Expenses to be paid from the Settlement Fund, the Court has analyzed the factors
7 considered within the Ninth Circuit and found that:

8 (a) The Settlement has created a substantial common fund of
9 \$27,500,000 in cash and thousands of Class Members who submit acceptable
10 Claim Forms will benefit from the Settlement created by the efforts of counsel;

11 (b) The requested attorneys' fees and Litigation Expenses have
12 been reviewed and approved as fair and reasonable by Class Representative, who
13 was directly involved in the prosecution and resolution of the Action and has a
14 substantial interest in ensuring that any fees paid to counsel are duly earned and
15 not excessive;

16 (c) The Action involved difficult and complex factual and legal
17 issues and, in the absence of settlement, would have involved lengthy
18 proceedings whose resolution was uncertain;

19 (d) Plaintiffs' Counsel conducted the Action and achieved the
20 Settlement with skillful and diligent advocacy;

21 (e) Plaintiffs' Counsel undertook the Action on a contingent
22 basis, and have received no compensation during the Action, and any fee and
23 expense award has been contingent on the result achieved;

24 (f) Class Counsel has devoted more than 18,000 hours, with a
25 lodestar value of \$10,173,968 (at current rates) and \$9,390,860 (at historical
26 rates), to achieve the Settlement;

27 (g) The amount of attorneys' fees requested is fair and reasonable
28 under the circumstances of this case, where an upward departure from the Ninth

1 Circuit's 25% benchmark is appropriate given the excellent results, the difficulty
2 and complexity of the claims, and the obstacles and challenges faced by
3 Plaintiffs' Counsel, which exceeded those in typical cases in most respects; and

4 (h) Notice was disseminated to putative Class Members stating
5 that Class Counsel would be seeking 30% of the Settlement Fund, and expenses
6 not to exceed \$1,725,000, and there have been no objections to the Fee and
7 Expense Application.

8 9. Any appeal or challenge affecting this Court's approval of the
9 attorneys' fees, litigation expenses, or award to Class Representative, shall in no
10 way disturb or affect the finality of the Judgment entered with respect to the
11 Settlement.

12 10. In the event that the Settlement is terminated or does not become
13 Final or the Effective Date does not occur in accordance with the terms of the
14 Stipulation, this order shall be rendered null and void to the extent provided by the
15 Stipulation and shall be vacated in accordance with the Stipulation.

16
17 SO ORDERED this 29th day of July 2025.

18
19 

20
21

MARK C. SCARSI
UNITED STATES DISTRICT JUDGE
22
23
24
25
26
27
28